

MAYOR BEVERLY O'NEILL

FY 2005-2006 BUDGET RECOMMENDATIONS



***A Plan of Reason –
A Future of Promise***

MAYOR BEVERLY O'NEILL

FY 2005-2006 BUDGET RECOMMENDATIONS

Economic & Residential Growth

- ✓ **Valuation in 2004 exceeded \$265 million and property tax has increased \$12 million since 1994**
- ✓ **RDA investment changing face of downtown**
- ✓ **Sales tax revenue increased over 70% in last decade**
- ✓ **Transient Occupancy Tax has increased 125%**



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FY 2005-2006 BUDGET RECOMMENDATIONS

Historical Perspective

- ❖ A myriad of external factors have resulted in depleted revenues and increased expenses for our city, such as:
 - Vagaries of the economy
 - Property value changes
 - Interest rate variations
 - Loss of over 50,000 jobs due to the downsizing in aerospace and defense
 - Increased demands from a changing and more diverse population
 - Public safety needs
 - 9-11's economic and fiscal impacts
 - Over thirty years of State raids



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Citywide Improvements

- ✓ **Port making major strides in dealing with environmental issues**
- ✓ **Necessary funding to sustain multi-year plan for curbs, gutters, streets & sidewalks**
- ✓ **North Police Station open**
- ✓ **Working towards New Library Branch**



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Economic & Residential Growth

“All of these efforts give us the funds for the future, to help sustain our income for improvements to our neighborhoods and provide services for our quality of life.”

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FY 2005-2006 BUDGET RECOMMENDATIONS

Fiscal Policies - City Council Adopted

Continue to Support City Manager's recommended fiscal policies:

- 1. Structurally Balanced Budget**
- 2. Report on How Budget Balanced**
- 3. General Fund Reserves**
- 4. Use of One-Time Resources**
- 5. Use of New Discretionary Revenue**
- 6. Accounting & Financial Reporting**
- 7. User Fees and Charges**
- 8. Grants**
- 9. Long-Term Financial Planning**
- 10. Debt Issuance & Management**



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FY 2005-2006 BUDGET RECOMMENDATIONS

CITY COUNCIL GOALS

- **Maintain stable financial foundation**
- **Further reduce crime**
- **Enhance neighborhood economic development**
- **Improve environmental conditions**
- **Promote housing development, homeownership**



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CITY COUNCIL GOALS

- **Improve quality of life in neighborhoods**
- **Promote workforce & business development efforts**
- **Programs that encourage public's health & well-being**
- **Expand community involvement**
- **Implement modern and well-maintained infrastructure, energy and transportation systems.**



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CITY MANAGER PROPOSALS

- City Manager and his staff to again be commended for their leadership in the development & unwavering commitment to the implementation of the City's Financial Strategic Plan
- Plan is a model for other agencies
- Has provided a multitude of opportunities, venues, and methods for community & employee input

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CITY MANAGER PROPOSALS

- We are fortunate to have such a committed and talented workforce in the City.
- We commend them for their unwavering commitment to the citizens of Long Beach.

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CITY MANAGER PROPOSALS

➤ Optimization Studies

The following studies have been completed and implementation is on-going:

- Code Enforcement / Nuisance Abatement**
- Fire Services & Emergency Dispatch**
- Workers' Comp, Occupational Health & Safety**
- Fleet Services Study**
- Citywide Fee Study**

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CITY MANAGER PROPOSALS

Optimization Studies in progress

- Information & Technology
- Youth Services
- Parking Management
- Employee Healthcare Benefits
- School Crossing Guards
- Towing Operations
- Reprographics
- Ambulance Billing
- Custodial Services
- Mail & Messenger Services
- Fleet Operations Parts Room
- Communications & Marketing

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**CITY MANAGER'S PROPOSED
ENHANCEMENTS**

I support the City Manager's proposed enhancements, identified either as core services, community priorities, and/or as Mayor & Council priorities.

Highlighted are some of the critical enhancements:

- ❖ **15 New Sworn Police Officers**
- ❖ **Reinstatement of Fire Engine @
Station #1**
- ❖ **Additional arterial & residential
street repairs**



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FY 2005-2006 BUDGET RECOMMENDATIONS

**CITY MANAGER'S PROPOSED
ENHANCEMENTS - *continued***

I support the City Manager's proposed enhancements, identified either as core services, community priorities, and/or as Mayor & Council priorities.

Highlighted are some of the critical enhancements:

- ❖ **Additional Planning & Building staff**
- ❖ **Maintenance of new mini-park & open space areas**
- ❖ **Expanded litter & graffiti abatement programs**



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FY 2005-2006 BUDGET RECOMMENDATIONS

CITY MANAGER PROPOSALS

FEE ADJUSTMENTS- *continued*

Recommend support of the fee increases proposed by the City Manager and Board of Water Commissioners:

- **Updated Financial Strategic Plan calls for various fee increases**
- **Consistent and comparable with fees charged by other cities and agencies**
- **Will help recover costs for services**
- **Are necessary to avoid harmful cuts to core services**



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MAYOR'S PROPOSALS

- ❖ **Paradigm Shift in Budget Process**
- ❖ **Structural budget reductions
coupled with increased efficiencies
and innovation**
- ❖ **Far more transparent process that
engages the Council, employees &
public**



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FY 2005-2006 BUDGET RECOMMENDATIONS

MAYOR'S PROPOSALS

❖ UPDATED FINANCIAL STRATEGIC PLAN

- Approximately \$70 million in structural budget solutions have been achieved in first two years – an extraordinary accomplishment
- For FY 06, \$22 million of the plan will be accomplished, leaving approximately \$10 million in structural solutions for FY07.
- ✓ *Given the accomplishments of the Three-Year Financial Strategic Plan to-date, as well as the well-defined approach and commitment to the Plan for the coming years, recommend the Council's support of the extension of a fourth year in the Updated Financial Strategic Plan.*



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MAYOR'S PROPOSALS

❖ UPDATED FINANCIAL STRATEGIC PLAN

Third year of plan calls for various budget reductions, including:

- Closure of City Hall East - \$200,000
- 2% savings in Police civilian staffing - \$500,000
- Optimization of Community Relations Division in LBPD - \$90,000
- Optimize Employee Health Insurance Program - \$4.9m
- Optimize Advanced Life Support billings/collections - \$200,000
- Close Main Library / North Branch one additional day/week - \$318,930
- Close Nature Center one additional day per week - \$59,000
- Suspend the Discover Long Beach Parks program - \$56,947
- Restructure citywide park ranger program - \$241,000
- Eliminate North & Freeman PAL programs & DARE - \$391,915



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FY 2005-2006 BUDGET RECOMMENDATIONS

MAYOR'S PROPOSALS

❖ PUBLIC SAFETY FUNDING OUR PRIORITY

- ✓ *Support the efforts of the Chief of Police with the City Manager, to identify a potential plan to increase the size of the police force*
- ✓ *Recommend any further steps needed to bring the necessary resources to bear to implement these recommendations.*



MAYOR BEVERLY O'NEILL

FY 2005-2006 BUDGET RECOMMENDATIONS



MAYOR'S RECOMMENDATIONS

❖ Recommend the continued support and reinstatement of the following programs & services:

- **Municipal Band +\$440,000** – *(Non General Fund monies or private sponsor)*
- **4th of July Fireworks +\$120,000** – *(Non General Fund monies or private sponsor)*
- **Library educational programming & services - +\$223,498**

GENERAL FUND TOTAL = +\$223,498

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MAYOR'S PROPOSALS

❖ FISCAL PRIORITIES

- ❖ **Reserves must be maintained**
- ❖ **Contracting In / Cost Recovery**
- ❖ **Major Infrastructure Funding**
- ❖ **Libraries**
- ❖ **Quality of Life Programming**
 - **Youth**
 - **Seniors**
 - **Homeless Services**



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MAYOR'S PROPOSALS

❖ FISCAL PRIORITIES

- ❖ **Federal Transportation Bill Funding**
 - ✓ **Will invest over \$286 billion in nation's transportation system over the next six years**
 - ✓ **Over \$139 million funded for projects in the Long Beach area**
 - ✓ **Thank our Washington representatives, including the relentless leadership of Congresswoman Juanita Millender-McDonald and the hard work of Congresswoman Linda Sanchez.**

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FY 2005-2006 BUDGET RECOMMENDATIONS

Continuing City Needs and Additional Recommendations

- Tidelands
- Workers' Compensation Optimization
- Health Fund
- City / LBUSD Partnerships
- Environment
- Harbor
- Airport
- Arts
- State Budget – Prop 1A



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FY 2005-2006 BUDGET RECOMMENDATIONS



Continuing City Needs and Additional Recommendations - continued

- **Current & Upcoming Key Legislative Issues**
 - **CDBG Funding**
 - **Tax Reform**
 - **Telecommunications Reform**
 - **Homeland Security Funding**

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FY 2005-2006 BUDGET RECOMMENDATIONS



Recommend the City Council:

1. Recommend the Council support the extension to a fourth year in the Updated Financial Strategic Plan;
2. Support City Manager's Proposed Enhancements;
3. Support fee increases;

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FY 2005-2006 BUDGET RECOMMENDATIONS



Recommend the City Council:

4. Support the efforts of the Chief of Police with the City Manager, to identify a potential plan to increase the size of the police force, and recommend any further steps needed to bring the necessary resources to bear;

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FY 2005-2006 BUDGET RECOMMENDATIONS



Recommend the City Council:

5. Recommend the continued support and reinstatement of the following:
 - **Municipal Band +\$440,000** – *(Non General Fund monies or private sponsor)*
 - **4th of July Fireworks +\$120,000** – *(Non General Fund monies or private sponsor)*
 - **Library educational programming & services - +\$223,498.**

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